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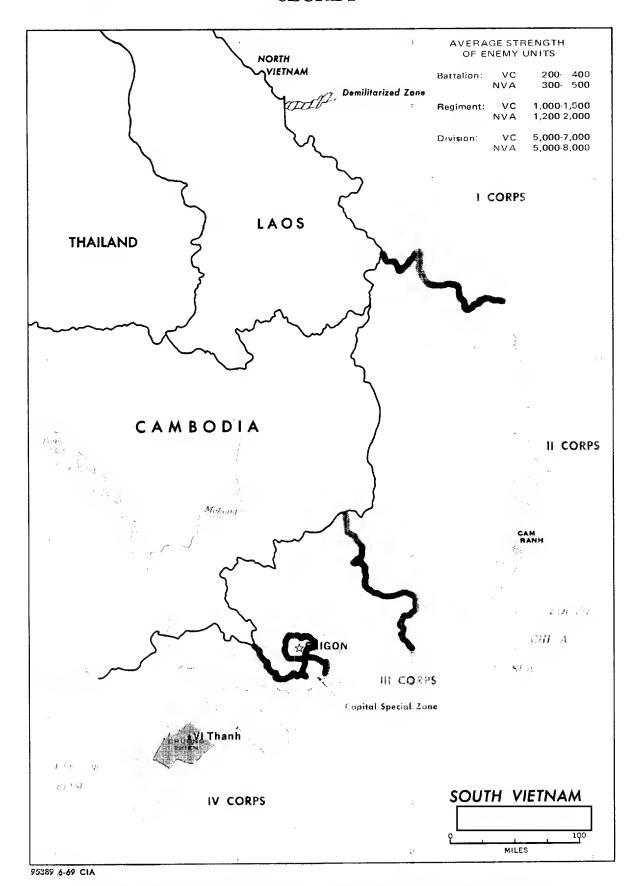
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Vietnam: Military activity in the South remained low on 22-23 June.

The most significant fighting took place in the delta province of Chuong Thien, where South Vietnamese infantrymen supported by US gunships killed 98 Viet Cong in a sharp battle six miles northwest of the provincial capital of Vi Thanh. Friendly losses totaled two killed and three wounded.

The Communists are still preparing to sabotage South Vietnamese Government and US installations in Saigon as well as several bridges there.

Although the government has arrested a large number of Communists operating in Saigon some Com-

munist assets remain at large in Salgon.

* * *

The Vietnamese Communists have nearly doubled their propaganda broadcast to foreign audiences since early 1968. Between February 1968 and May 1969, Radio Hanoi's weekly volume climbed to 270 hours and Liberation Radio's output increased to some 125 hours. This sharp rise began at the time of the 1968 Tet offensive and has been sustained by heavy Communist propaganda treatment of the Paris talks and related political developments.

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The bulk of these external broadcasts have been
directed toward the people of South Vietnam. A
substantial number of them have been aimed at allied
troops in the South. Since the outset of the Paris
talks, Radio Hanoi has also been broadcasting to
European audiences. The latter transmissions now
total some 40 hours weekly.
(Map)

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USSR-Iraq: The USSR will assist Baghdad in the development of petroleum resources in southern Iraq under an agreement signed on 21 June.

According to Baghdad radio, Moscow will provide the Iraqi National Oil Company (INOC) with about \$200 million worth of equipment and technical aid to develop the al-Halfayah area. Two initial contracts, one covering \$26 million worth of Soviet equipment and the other for the supply of Soviet experts, already have been signed. Moscow also will train in the USSR 30 Iraqi specialists of the INOC in various oil jobs.

Al-Halfayah, near the Iranian border, is not part of the proved Rumaila oilfields, but it is claimed by the Western-owned Iraq Petroleum Company as part of its original concession. Although no drilling has taken place, Western oil sources believe this to be a promising area for exploitation.

A Soviet offer of aid to the INOC has been outstanding since December 1967 when letters of intent were exchanged between the two countries. The letters did not cover either the scale or terms of Soviet assistance. They were initiated by the Iraqi Government to pressure Western oil companies to adopt a more flexible and cooperative attitude in negotiations with the INOC, particularly regarding the North Rumaila field in southern Iraq.

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Saudi Arabia: The Saudi internal situation remains calm despite a recent spate of reports of plotting and arrests.

The numerous reports of antiregime activity and subsequent arrests emanating from Saudi Arabia in the past week appear to have somewhat exaggerated the dangers. Arrests have doubtless been made, however, reportedly totaling as many as 200, including a number of military officers. Some of the detainees were allegedly involved in a rather nebulous plot against the regime.

Those arrested probably included persons connected with a variety of groups distasteful to the regime. Some are said to be "Communists," others are allegedly connected with the leftist government of Southern Yemen, and still others may have been associated with one of the Palestinian terrorist groups.

The Saudi regime is acutely conscious of secur-	
ity and "Communists" and is determined to crack	
down on any signs of incipient political discontent.	
It is probably well ab <u>le to handle almost any inter-</u>	
nal security matter.	

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